COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF BLUEGRASS GAS SALES, INC.) CASE NO. 2013-00211

ORDER

On July 17, 2012, in Case No. 2011-00364 the Commission approved rates for Bluegrass Gas Sales, Inc. ("Bluegrass") and provided for their further adjustment on a quarterly basis in accordance with Bluegrass's gas cost adjustment ("GCA") clause.¹

On May 31, 2013, Bluegrass filed its proposed GCA to be effective July 1, 2013.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

- 1. Bluegrass's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
- 2. Bluegrass's notice sets out an Expected Gas Cost ("EGC") of \$5.9529 per Mcf, which is a increase of \$.7037 per Mcf from its previous EGC of \$5.2492 per Mcf.
 - 3. Bluegrass's notice sets out no current quarter Refund Adjustment.
- 4. Bluegrass's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0771) per Mcf. Bluegrass did not use the correct "EGC in effect for month" for January through March 2013 in calculating its monthly cost difference for each month. Correcting this produces a current quarter AA of (\$.2106) per Mcf. Bluegrass's total AA

¹ Case No. 2011-00364, Alternative Rate Filing Adjustment of Bluegrass Gas Sales, Inc. (Ky. PSC July 17, 2012).

is (\$.2291) per Mcf, which is an increase of \$.6330 per Mcf from its previous total AA of (\$.8621) per Mcf.

- 5. Bluegrass's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0058) per Mcf. Revising the total BA calculation to reflect the correct second previous quarter BA of \$.0076 instead of (\$.0075) per Mcf produces a total BA of \$.0158 per Mcf, which is an increase of \$.0482 per Mcf from its previous total BA of (\$.0324) per Mcf.
- 6. Bluegrass's GCA is \$5.7396 per Mcf, which is an increase of \$1.3849 per Mcf from its previous rate of \$4.3547 per Mcf.
- 7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Bluegrass on and after July 1, 2013.

IT IS THEREFORE ORDERED that:

- 1. The rates proposed by Bluegrass are denied.
- 2. The rates in the Appendix to this Order are fair, just and reasonable and should be approved for service rendered on and after July 1, 2013.
- 3. Within 20 days of the date of this Order, Bluegrass shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED

JUN 1 7 2013

KENTUCKY PUBLIC SERVICE COMMISSION

Executive Director

Case No. 2013-00211

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00211 DATED JUN 1 7 2013

The following rates and charges are prescribed for the customers served by Bluegrass Gas Sales, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	Base Rate	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Customer Charge All Mcf	\$10.00 \$ 5.1416	\$5.7396	\$ 10.8812

Mark H O'Brien Bluegrass Gas Sales P.O. Box 23539 Anchorage, KENTUCKY 40223